



SEP 24 2003

The Honorable Rod Blagojevich
Governor of Illinois
Springfield, Illinois 62706

Dear Governor Blagojevich:

It is with pleasure that I respond to the State of Illinois' request for a waiver of regulatory requirements under the Workforce Investment Act (WIA) in accordance with the Secretary's authority to waive certain requirements of WIA title I, subtitles B and E, and sections 8-10 of the Wagner-Peyser Act. This authority is granted to the Secretary by WIA section 189(i)(4)(A), and in the implementing regulations at 20 CFR 661.420.

These waivers grant states flexibility in program design for seamless program delivery and improved customer service, in exchange for accountability and agreed-to programmatic outcomes. We hope that these changes will assist your state in meeting its workforce needs and improving programmatic outcomes for youth statewide and at the local level.

We appreciate the state's cooperation in working with our Chicago Regional Office to provide supplemental information on the waiver submission so that an informed decision could be made on the state's request. After discussions with state staff and review of the additional information provided, we are pleased to be able to respond positively to your initial request. The following is the disposition of the state's waiver submission.

Requested Waiver: Waive the provision of 20 CFR 664.510 to allow local areas to use Individual Training Accounts for older and out-of-school youth participants.

The state's waiver submission, including supplemental information, (copy enclosed) requests a waiver of the prohibition on the use of Individual Training Accounts (ITAs) for youth found at 20 CFR 664.510. The state indicates that the waiver, if granted, will allow older and out-of-school youth to select approved ITA programs from the Eligible Training Provider List, while retaining their "youth" classification. The waiver submission states that, under the waiver, One-Stop operators will be able to provide appropriate services to out of school youth who can benefit from such services without having to register the youth in the adult program and track resources separately for each funding stream.



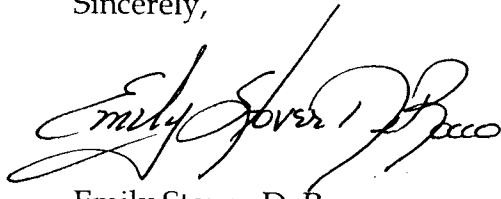
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The waiver is written in accordance with WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for waiver approval at 20 CFR 661.410(e). Accordingly, the State of Illinois is granted a waiver of the prohibition on the use of ITAs for older and out-of-school youth so they can benefit from services provided by the state's certified eligible training providers. Under the waiver, local workforce boards will have the option to use the Eligible Training Provider system to secure training providers for these two youth populations, as appropriate. This waiver grants the state and local area boards flexibility in the program design of high quality youth services that will increase customer choice and access to training in demand occupations. Although the state has not requested a duration for the waiver, this waiver is granted for the period of July 1, 2003, through June 30, 2004.

The granted waiver is incorporated by reference into the state's WIA Grant Agreement, as provided under paragraph 3 of the executed Agreement, and also constitutes a modification of Illinois' approved five-year strategic plan. A letter is being sent to your state WIA Liaison, which supplements this notification letter and specifically defines the terms and conditions that apply to the granted waiver. A copy of each letter should be filed with the state's WIA Grant Agreement and approved five-year plan, as appropriate.

We look forward to continuing our partnership with the State of Illinois and improving the lives of its youth through the workforce investment system. We are prepared to entertain other state and local-level waiver requests, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", written in a cursive style.

Emily Stover DeRocco

Enclosure



February 26, 2003

Mr. Byron Zuidema
Regional Administrator
Employment and Training Administration
230 South Dearborn Street
Chicago, Illinois 60604

Re: Request for Youth Waiver

Dear Mr. Zuidema:

I am pleased to submit Illinois' request for waiver to the Workforce Investment Act for Program Years 2002-2004 concerning expanded services for out-of-school youth. The enclosed document describes our overall goals and objectives for workforce development to establish a context for the waiver.

I am proud of the accomplishments we have made over the past three and a half years in workforce development. Illinois has seen measurable success in the advancement of our comprehensive workforce development system. We appreciate the opportunity to tailor workforce investment resources to more closely meet the needs of Illinois' citizens.

Thank you for your consideration of this request. I look forward to Illinois and your Department engaging in a dialogue about the waiver before your response is finalized. Please contact Mr. Roderick Numm at 217/524-2979 with any questions regarding this request. Together, we can find opportunities within the law and regulations to best meet the needs of Illinois citizens.

Very truly yours,

Rod R. Blagojevich, Governor
Brenda A. Russell, Director

JOB TRAINING DIVISION
850 E. MADISON, 2nd FLOOR
SPRINGFIELD, ILLINOIS 62702-5603

State of Illinois
Workforce Investment Act Waiver Request
for Program Years 2002-2004

A high-quality, employer driven, innovative workforce development system is critical to Illinois' economic growth and to ensure the economic self-sufficiency of its citizens. At the cornerstone of Illinois' workforce development system are 44 comprehensive one-stop centers which are envisioned to be the primary resource in each community to which Illinois employer and job seekers turn for employment and training services. To ensure accessibility of workforce services throughout the state, there are an additional 54 affiliate centers. The stimulation of job creation and economic expansion are dependent on the State's ability to offer Illinoisans the opportunity for continual skills development throughout their working life.

Illinois' goal is to establish a one-stop delivery system which is "world-class" status and the groundwork for Illinois' one-stop system achieving "world-class" status has been laid. Much has been accomplished in articulating a vision for the workforce development system, defining the essential characteristics to be ingrained in each and every local one-stop system's delivery of services, providing the resources needed locally to initiate change, establishing policies that promote change, and supporting state and local initiatives aimed at improving the quality of services delivered through one-stop centers.

Waiver:

Permit Individual Training Accounts (ITAs) to be used for out of school youth participants in the Workforce Investment Act programs.

Objective:

Development of the future workforce and provide the opportunity to improve youth programs by linking more closely local labor market needs, community youth programs and services, and strong connections between academic and occupational learning.

Principles:

Increased efficiency and customer choice.

Barrier:

ITAs are not permitted for youth participants.

Youth may only utilize an ITA if they are co-registered in the adult program. Co-registration produces unnecessary paperwork. The allowable service is the same; requiring additional registration has no value to either the program or the customer.

Specific Statutory/Regulatory Requirement to be Waived: 664.510

Expected Benefit of Waiver:

Expanded services for out-of-school youth.

One-stop operators will be able to provide appropriate services to out of school youth who can benefit from such services without having to register the youth in the adult program and track resources separately for each funding stream.

On-site Monitoring:

Performance measures will be evaluated at least quarterly to determine impact.

Illinois will monitor implementation and impact of the waiver through a combination of reporting from the local level and state oversight and evaluation. Through the Illinois Workforce Partnership and meetings of the Local Workforce Investment Board Directors, the Job Training Division of the Illinois Department of Employment Security will seek feedback on use, problems, and successes. The forums will allow sharing of best practices in taking the greatest advantage of opportunities offered by the waiver. The Illinois Department of Employment Security will also include monitoring of use of the waiver in its routine desk top reviews and on-site monitoring.

Information provided to Regional Office on 06/25/2003

Response to questions raised concerning Illinois' waiver request to waive the prohibition on the use of Individual Training accounts (ITA's) for youth.

I apologize for the delay in responding to your request. Those who wrote the original waiver request accepted an early retirement incentive from the State of Illinois. What I have learned is that 1), the initiative request came from the local Workforce Investment Areas (LWIA's). There are no local barriers nor are there any State barriers, statutory or regulatory.

- 2) The Illinois Workforce Partnership (IWP) represents all Title IB providers. This group solicited input from all Local Workforce Board Chairs. A discussion on the request was held at a regularly scheduled board meeting and minutes were mailed to all members and interested parties.
- 3) In November 2002, the State requested comments from all board chairs. Further, the IWP members talked to their respective board chairs and solicited comments. We further sent e-mails to all interested parties and received no negative responses.
- 4) We were not aware of the requirement for local boards to provide input and comments. The chair of the IWP Policy Committee has since corresponded with all local boards and each board has addressed this request by placing the issue on a board agenda which is distributed to a wide variety of interested parties. All boards have a public input agenda item and this is the venue used to solicit input on this request. No negative responses were received.
- 5) Public comments, including organized labor and business interests were included in all public comment requests. Since this issue was thoroughly discussed at each of the 26 Local Workforce Investment Board regularly scheduled meetings, with business representing at least 51% of the membership, business interests were well represented in the discussions. Further, labor leader representatives sitting on the board were encouraged to solicit input from their respective memberships. Again, all comments were positive and supportive.
- 6) Both older youth and out-of-school youth will be served.

If you have any further questions, please call me at 217-558-2423. My new e-mail address beginning Monday, June 30, 2003 is lyle_neumann@commerce.state.il.us